VZCZCXRO3835 RR RUEHAG RUEHBC RUEHDE RUEHDIR RUEHKUK RUEHROV RUEHSR DE RUEHMD #1262/01 3371218 ZNY CCCCC ZZH R 021218Z DEC 08 FM AMEMBASSY MADRID TO RUEHUNV/USMISSION UNVIE VIENNA 0094 RUEHC/SECSTATE WASHDC 5687 INFO RUCNMEM/EU MEMBER STATES COLLECTIVE GIPNC/GLOBAL INITIATIVE PARTNER NATIONS COLLECTIVE RUCNIRA/IRAN COLLECTIVE RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE RUEHEG/AMEMBASSY CAIRO 0139 RUEHCV/AMEMBASSY CARACAS 1324 RUEHDM/AMEMBASSY DAMASCUS 0352 RUEHME/AMEMBASSY MEXICO 0684 RUEHMO/AMEMBASSY MOSCOW 0923

C O N F I D E N T I A L SECTION 01 OF 03 MADRID 001262

SIPDIS

PASS TO RICHARD NEPHEW, JODY DANIEL AND BRECK HEIDELBERG OF ISN/RA, MEGGEN WATT AND BRIAN LEWIS OF ISN/WMDT, HEATHER VON BEHREN OF IO/T, AND STACIE ZERDECKI AND ELAINE SAMSON OF EUR/WE.

E.O. 12958: DECL: 12/02/2018

RUEHLA/AMCONSUL BARCELONA 3684 RUCNDT/USMISSION USUN NEW YORK 0461

TAGS: KNNP MNUC PARM PREL PTER SP SY IAEA IR VE

TRGY

SUBJECT: SPAIN: MFA ADDRESSES HOST OF NON-PROLIFERATION ISSUES

REF: A. MADRID 01232

1B. SECSTATE 123059

¶C. SECSTATE 121356

1D. MADRID 01227

1E. MADRID 959

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Classified By: DCM Arnold A. Chacon for Reasons 1.4 (b) and (d)

11. (C) SUMMARY. POLCOUNS and POLOFF on November 28 met Spanish MFA officials for a wide-ranging discussion on non-proliferation issues. Gonzalo de Salazar, the MFA's Sub-DG for Non-Proliferation and Disarmament, and Carlos Torres, Counselor for Nuclear Non-Proliferation and Disarmament discussed the GOS perspective on events related to the IAEA. Salazar unequivocally stated the GOS position that Madrid does not want to see either Iran or Syria in possession of weapons-grade nuclear technology, but argued for having the IAEA approve Syria's Technical Cooperation (TC) request while the IAEA investigates the Al-Kibar plant He suggested that if the IAEA were to determine that Syria had been in flagrant violation of its Non-Proliferation Treaty obligations, then even Russia and China would be hard pressed to block a prospective UN Security Council Resolution calling for sanctions on Damascus. The Spaniards also discussed the Global Initiative to Combat Nuclear Terrorism (GICNT), the Nuclear Suppliers Group (NSG), and the Financial Action Task Force (FATF), non-proliferation concerns regarding Venezuela. END SUMMARY.

//IAEA//

12. (C) Salazar elaborated on comments made to POLCOUNS earlier in the week (REFTEL A) about issues facing Iran and Syria at the IAEA. Salazar unequivocally stated the GOS position that Madrid does not want to see either country in possession of weapons-grade nuclear technology, but he also suggested that the recent USG tactic of seeking to have the IAEA condemn Syria was misguided. He asserted that the IAEA's chief asset is that it is a multilateral forum under the auspices of the UN, which has the backing of

international law and enjoys moral authority and legitimacy in the eyes of the world. Salazar claimed that the fact that the IAEA is led by an Egyptian (current DG Mohamed ElBaradei) further enhances the credibility the institution enjoys in the Arab world for its declarations on Iran and Syria. However, he cautioned that, among Arab countries and the Non-Aligned Movement, this legitimacy is undercut by the perception of a "double standard" on the part of Western countries which allegedly turns a blind eye to proliferation issues when it comes to Israel but aggressively seeks to enforce non-proliferation measures against Iran and Syria. Egypt, for example, which has aspirations of being a leader in the Middle East is not in a position to challenge ElBaradei's declarations or to side with Israel and the IAEA over Tehran and Damascus. Salazar outlined a hypothetical scenario in which all of the countries in the Middle East signed an agreement to establish a Nuclear-Free Zone in the Middle East. If Iran and Syria could agree to sign such an accord, then the pressure would be on Israel to join the rest of the region, he reasoned, and suggested that such a scenario could potentially shift the spotlight from Iran and Syria's nuclear status to Israel's.

13. (C) Returning the conversation to current events, Salazar argued for having the IAEA approve Syria's Technical Cooperation (TC) request while the IAEA investigates the Al-Kibar plant. Torres, the MFA's substantive expert on nuclear issues who spent several years at the IAEA and is a former senior-level adviser to the Office of the President of Spain's Nuclear Security Council, stated that, from the information he has seen, the uranium found at the site did not appear to be present as a result of Israeli bombing, as Damascus has alleged. He and Salazar opined that Damascus was "playing games" and creating a "smokescreen" by

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submitting its TC request at this moment, while the investigation into the Al-Kibar issue had not been fully resolved. Nevertheless, Salazar urged that the IAEA allow Syria to pursue its TC project, noting that it would take roughly 10 years to complete a nuclear power plant. Asked how long the IAEA investigation might last, the Spaniards estimated anywhere between 2-3 weeks to several years. Salazar suggested letting the IAEA carry out its investigation and, if it were to determine that Syria had been in flagrant violation of its Non-Proliferation Treaty obligations, then even Russia and China would be hard pressed to block a prospective UN Security Council Resolution calling for sanctions on Damascus.

- ¶4. (C) In making his case, Salazar on several occasions parroted the IAEA DG's public remarks last week that the IAEA cannot pre-judge Syria's intentions for its request for technical assistance, arguing that Syria must be considered innocent until proven guilty. Continuing Salazar's criminal trial metaphor, POLCOUNS responded that if a person were under investigation for a serious crime, he would be in jail awaiting trial. Under the circumstances, it made no sense to assist Syria in developing a nuclear program.
- ¶5. (C) On Iran, Salazar described the country as economically weak due to decreased oil production and politically in pre-election mode. He said he would like to see Iran follow the Libyan example of abandoning the pursuit of a nuclear arms as a change in policy that did not involve regime change. However, Salazar suggested that Ahmadinejad government, which has made the goal of becoming a nuclear power one of the bedrocks of its foreign policy, is not in a position to sign any non-proliferation agreements with the IAEA, which domestic opposition forces would portray as caving in to the West.

//CANDIDATES FOR IAEA DIRECTOR GENERAL//

16. (C) Salazar remarked that -- in addition to the two declared candidates from South Africa and Japan to succeed

ElBaradei as IAEA DG in Summer 2009 -- there are rumors that former Mexican President Ernesto Zedillo might become a candidate. Both Spaniards appeared to perk up at the prospect of Zedillo's candidacy.

//NSG//

- 17. (C) Switching topics to the NSG, Torres -- who said he was in Vienna last week -- shared with Embassy Madrid officials a second draft, dated November 20, 2008, of a USG proposed update to Paragraphs 6 and 7 of Information Circular (INFCIRC) 254/Part 1, on the subject of Special Controls on Sensitive Exports. Salazar said that the changes that caught the GOS's attention in the second draft are in Paragraph 6 (a) (ii). Specifically, he noted that the second draft no longer includes demands that nuclear suppliers demand that recipients sign the "Additional Protocol," instead providing some leeway to potential nuclear proliferating nations if they sign a "regional arrangement" approved by the IAEA. Salazar claimed that this portion of the second draft is "a step backwards" and repeatedly stated that the GOS considers the first draft more appropriate. He cautioned that if this second draft were adopted by the NSG, it "could later be used against us by the Middle East." If Syria and Iran were to sign this regional accord, could a third country export nuclear technology to them, he rhetorically asked. He urged the USG to go back to the language it had used on this topic its first draft, which he described as providing more coherence between NSG and IAEA policies. He noted that the GOS and other nations have until December 12 to respond to the USG's second draft.
- $\underline{\ \ }$ 8. (C) Salazar also commented that last week's attacks in Mumbai represent "a true cause for concern" for the NSG's

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decision in September to lift the ban on nuclear trade with India. Salazar said the inter-ethnic and inter-religious clashes in India are worrisome, because amid all the fighting and instability, one never knows who has access to India's nuclear arms.

//GICNT//

19. (C) On the Global Initiative, Torres commented briefly that he had received Post's REFTEL B demarche by fax and soon planned to share the draft Model Guidelines with his colleagues at the Ministry of Interior. He remarked that the GOS takes the issue seriously.

//FATF - IRAN//

110. (C) POLOFF shared a courtesy copy of the press releases on terrorism finance and Iran cited in REFTEL C, noting that the MFA's Sub-Directorate General for International Terrorism issues already had received a copy (as described in REFTEL D). Salazar replied that the EU had issued a declaration on that topic on November 10 to reinforce the bloc's efforts to combat terrorism finance.

//VENEZUELAN-RUSSIAN NUCLEAR ACCORD//

111. (C) As the final topic of discussion, the Spaniards raised concerns at the press reports of a deal that Venezuela and Russia struck on November 26 to have Moscow help Caracas start a nuclear energy program, which reportedly includes the construction of a nuclear power plant. Salazar again mentioned his concern about the presence of uranium in FARC-controlled areas of Colombia -- a topic he had previously mentioned in REFTEL E -- and expressed unease at whether Venezuela would attempt to acquire uranium from the FARC. (COMMENT: Although Spanish Foreign Minister Moratinos publicly stated in September 2008 that the GOS would support Caracas' efforts to create a civilian nuclear capacity as long as it abided by IAEA rules, the concern on the part of Salazar illustrated that there is lingering unease within the

Spanish MFA about Venezuela's intentions on this issue. END COMMENT.)

112. (C) COMMENT: This meeting marked the most interactive that Salazar has been with Embassy Madrid officials since taking over his portfolio in August, 2008. Until now, he has been tight-lipped and somewhat inaccessible. Embassy officials noted to him that Spain's 2008-2010 tenure on the IAEA Board of Governors will likely prompt frequent interaction in the years ahead and highlighted the importance the USG places on keeping open lines of communication. END COMMENT.
AGUIRRE